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SUBJECT: NEW CONGRESS TAKES OFFICE OPPOSING CORREA'S ASSEMBLY

REF: QUITO 3086

¶1. (SBU) Summary: Ecuador's newly-elected Congress takes office on January 5 with a decisive majority proposing to oppose President-elect Rafael Correa's demands for a referendum on whether to convoke a national constituent assembly. Instead, this working majority will seek to pass its own constitutional reforms, and reconstitute both the Supreme Electoral Tribunal (which would implement any referendum) and the Constitutional Court, which would rule on any legal challenges to Correa's proposed referendum. With Correa calling for his supporters to press Congress (from the streets, if necessary) to go along with his proposed referendum, the stage is set to test Correa's ability to mobilize popular support, even before he is sworn in on January 15. End Summary.

Anti-assembly Majority Intent on Reform

¶2. (SBU) According to media reports confirmed by our political contacts (RefTel), after nearly a month of negotiations, a 70-member majority of the 100-member Congress (comprised of Alvaro Noboa's PRIAN, Lucio Gutierrez' Patriotic Society Party (PSP), the Social Christian Party (PSC) and the Christian Democratic Union (UDC)) has agreed on a plan to divide up leadership positions in Congress and to allocate leadership positions on congressional committees. The agreement gives seven committee leadership slots to the PRIAN, including the Labor Commission; six to the PSP, including Investigations; four to the PSC, including the Economic Commission; and one to the UDC, the Constitutional Affairs committee, which will be key on reform issues.

¶3. (SBU) After taking office on January 5, the alliance would set to work to pass legislation intended to defend the institution of Congress from the threat of Correa's planned referendum on a national constituent assembly. Measures would include reducing to 60 days the current one-year debate period mandated for constitutional amendments, and possibly also using Congress' power of appointment to gain control of institutions which could act independently of the Executive branch. These posts include the Supreme Electoral Tribunal (TSE), the Constitutional Court, and the offices of Attorney and Comptroller General, and the Superintendent of Companies.

¶4. (SBU) The majority would reportedly first act to reconstitute the two institutions most directly involved in the contest over whether to convoke a referendum on a national assembly: first the TSE and then the Constitutional Court. Parties are already selecting their representatives

to the seven-member TSE board, for the approval of a simple

majority of Congress. The constitution provides for the board to be composed of representatives from the seven political parties or movements with the highest vote count in the October election (which would include Correa's PAIS movement). The majority of the new TSE board will likely reject any Correa order to organize a referendum without the approval of Congress as unconstitutional. The anti-assembly alliance would then use the TSE to convoke the selection of a new nine-member Constitutional Court (appointed by Congress in 2005, after the removal of then-president Gutierrez) with new members for a four-year term. The current Supreme Court would not be replaced.

Correa Calls for Support from the Streets

¶5. (U) On January 3, after meeting with the indigenous Pachakutik movement leaders who pledged to support his national assembly proposal, President-elect Correa began a new round of campaign-style provincial outreach in an effort to thank voters and rally popular support for his proposed referendum. Six hundred "brigade" members of Correa's PAIS movement reportedly began going house to house in Guayaquil to educate the public about the assembly. At a public rally of a reported 11,000 in a Guayaquil stadium on January 4, Correa insisted his second presidential decree after taking office on January 15 would be to order the TSE to organize the referendum on a constituent assembly. Calling members of the anti-assembly majority "pseudo-representatives" of the people, Correa claimed his electoral victory constituted a mandate in favor of a new constitution. Correa denied any dispute with Congress or the courts, saying his fight is with the "backwardness, corruption and mediocrity" of those who would thwart his plans.

¶6. (U) Minister of Government-designate Gustavo Larrea is reportedly negotiating the text of Correa's assembly referendum (including rules for the direct election of 100 national assembly members by province and the selection of 32 others representing the nation as a whole, minorities and migrants) with leaders of the ID, RED, Pachakutik, MPD and Socialist parties. The assembly would meet for six months, but could be extended to nine.

¶7. (SBU) Pachakutik leaders on January 4 reportedly called out their supporters to block access to the newly-renovated Congress building on January 5. PSP leader and likely VP of Congress, Edison Sanchez, called on the Palacio government to guarantee Congress' security in the capital, threatening to move Congress elsewhere if necessary. Police sources expect several hundred Correa supporters to march to the Congress building at approximately 1030 am. Police have orders to set up an extended perimeter to prevent the demonstrators from approaching and gaining access to the building.

¶8. (SBU) Correa reportedly denied any intention to urge his supporters to the streets to press Congress or the TSE to permit his proposed referendum, but claimed it was within the public's right to do show their support for the government "in the streets." Answering speculation that the incoming president of Congress (likely Jorge Cevallos of Noboa's opposition PRIAN) would refuse to swear Correa in as president, Correa announced that by agreement with his predecessor, he would receive the presidential sash directly from outgoing president Alfredo Palacio.

Comment

¶9. (SBU) With both sides hardening their public positions in recent days, Congress appears set for an initial skirmish with Correa over the constituent assembly. While the opposition has the numbers to control institutions which could block Correa's referendum, the potential for pressure from the streets is making the opposition skittish. Lucio Gutierrez' PSP appears the most likely opposition alliance

member to consider a middle path, provided its own interest in punishing members of the Palacio government are addressed.

But compromise seems unlikely to emerge until after an initial attempt by the opposition to use its numbers to advance its own agenda. Correa will need to mount a strong showing from his supporters on the streets of Quito to force any deal on Congress.

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